SHOULD SILVER BE DEMONETIZED?

I.

Of the questions involved in the "battle of the standards," the one which overshadows all others is that of the volume of money.

It is the controlling factor in determining prices and wages, and thereby the burden of taxes and the relations of debtors and creditors. The question of how large the volume of money shall be arouses the passions of men, because it affects the most important human interests. It determines the sides which men, classes, sections, and nations respectively take, regarding the use of gold alone, or both gold and silver, as the metallic standard of the commercial world.

In his report upon the Mint, 1791, Alexander Hamilton summed up the whole matter by saying, that "to annul the use of either of the metals as money is to abridge the quantity of the circulating medium."

To effect that abridgment was the avowed object of the persons who, under the lead of Chevalier, originated, thirty years ago, the plan of employing one and the same metal in all commercial countries. They at first proposed that this metal should be silver, and they actually persuaded some European countries to demonetize gold. They soon, however, changed their tactics, and proposed the demonetization of silver as a more practical method of accomplishing the object of "abridging the quantity of the circulating medium."

The motives of the men who have kept up the war upon silver down to the present time are the same as they were then, although not so openly avowed. Those who marshal, victual, and pay the forces by which this war is waged, formulate the battle-cries and direct the maneuvers, are the men who live upon fixed incomes;

bankers, as a class, those who hold credits secured upon the property of others, and those who own the enormous and almost fabulous public debts, not less of all kinds than forty thousand millions of dollars. It is in the interest of these classes of men to have as few dollars as possible, that each dollar may have an augmented command over the necessaries, comforts, and luxuries of life, and they know that there is no more direct road to an appreciated money than to strike down the monetary use of one of the metals.

It could be easily shown—if the brief space at my command would admit—that there has been a continuous fall, since 1873, in the prices of all the principal commodities which enter into human consumption, excepting only the year 1880.

The reaction which occurred in that year was more than balanced by the fall in the year 1884, which was larger than in any of the preceding years. The statistics of the value of the imports and exports of Great Britain, amounting to about $3,000,000,000 per annum, furnish data upon which safe estimates of the general range of prices can be made. From these data, it clearly appears that the purchasing power of money has steadily increased, and that it is now fully 25 per cent. greater than it was in 1860.

Unless the settled judgment of mankind, that the price of commodities, labor, land, and all kinds of property depends upon the volume of money is a delusion, it must be obvious that the demonetization of silver and restrictions upon its coinage in important countries must have been one of the powerfully contributing causes of the fall of prices and depression of industries.

Striking statements of the proportions and consequences of the fall of prices could be indefinitely multiplied; I must restrict myself to two or three.

In the British House of Commons, May 8, 1883, the condition of India being under consideration, Mr. Cross said:

> "Debt is not so easy to pay as it formerly was. A pound of debt was discharged by the remittance of a sovereign's worth of produce; but, unfortunately for the debtor-nations of the world, a good deal more produce had to be remitted to discharge a pound of debt than when most of the debts of the world were contracted. This told heavily against India."

Mr. Cross then read the following statement of the quantities of certain articles of Indian produce required to pay a pound sterling of debt in England, at the prices of 1883, as compared

with the quantities which would have been required at the average prices of the preceding twenty-five years :

	At prices of 1883.	At prices of preceding 25 years.
Cotton	44 pounds.	34 pounds.
Wheat	224 "	168 "
Jute	185 "	123 "
Rice	288 "	193 "
Tea	20 "	13 "
Indigo	4½ "	3½ "

Mr. Cross was justified in saying, as he did after reading this statement, that "the strain on gold might well make debtors tremble."

In the letter of February 11, 1885, addressed to Mr. Cleveland by ninty-five members of the last United States House of Representatives, it is said :

"It can be shown that it will take more labor or more of the produce of labor to pay what remains of our national debt now than it would have taken to pay it all at the close of the war. Eighteen million bales of cotton were the equivalent in value of the entire interest-bearing debt in 1865, but it will take 35,000,000 bales at the price of cotton now to pay the remainder of the debt. Twenty-five million tons of bar-iron would have paid the whole debt in 1865. It will now take 35,000,000 tons to pay what remains after all that has been paid."

The New York "Tribune" of January 8, 1885, says :

"About the 13th of December (1884), the market for products touched the lowest level of prices ever reached in this country since records of prices began. The range of prices is now below that of October, 1878, then the lowest reached for many years. When the depreciation of paper currency vanished (October, 1878), it was found that prices were more than 15 per cent. below the specie level of 1860, the last preceding year in which prices had been made in gold."

Silver dollars, if they were current in the market at only their bullion value, instead of their face value, would still have a purchasing power greater than any kind of dollars had in 1860.

In view of the disasters to debtors, taxpayers, industries, and all kinds of property, excepting only money, which the war upon silver has already caused, and the greater disasters which it threatens, and in view of the fact that an immense majority of the people of this country are debtors, taxpayers, or laboring men, how amazing does it seem that the administration of the national

finances is now, and for many years has been, in the hands of men who are subservient to the interests of the few money-lenders, and antagonistic to the interests of the great mass of the people who are engaged in productive industry, and who are compelled to borrow money. So long as men are selfish, and these conditions exist, we may expect that every discrimination which human ingenuity can devise will be invoked to depreciate the value of silver, and to make the silver dollar unpopular with the people.

It is true that a silver dollar measured by a gold standard does not contain a dollar's worth of bullion at the present market price.

This may be an evil, but so long as there is no disturbance in the parity of the coins of the two metals, and no possibility of such a disturbance for many years to come, it is an evil of trifling consequence compared with that which will result from the discontinuance of silver coinage.

Complaint is made that silver is less convenient as to its portability than gold, but both metals, except subsidiary coin, are now chiefly used, and might be wholly used, not corporally, but by representative paper.

The storage of silver requires larger vaults than the storage of gold, but if all the advantages in respect to convenience which are claimed for gold are conceded, they wholly fail to justify the disuse of silver, if gold alone is inadequate in amount to sustain prices at the level at which the vast debts of the world have been contracted. We may apply in this case the language of Dr. Benjamin Franklin, in a reply which he made in England, in 1764, to the complaints of the British Board of Trade, that the American Colonies were supplementing coin with paper :

> "However fit a particular thing may be for a particular purpose, whenever that thing is not to be had, or not to be had in sufficient quantity, it becomes necessary to use something else, the fittest that can be got in lieu of it."

THE NORTH AMERICAN REVIEW for June contained articles favoring a cessation of our present coinage, by Professor Sumner, President Walker, and Professor Laughlin. A reply to the arguments and statements of these three able writers, which rest to a degree upon widely different grounds, would fill many pages of the REVIEW. A brief allusion to them must suffice for the present.

Professor Laughlin has been at the trouble of preparing a wood-cut, with the value of gold between 1870 and 1884 exhibited

by a straight line as the standard of comparison, and with the value of silver relatively to gold during the same period exhibited by another line, which is of course very crooked and erratic; but he must know that if he had represented the value of silver by a straight line, and made that the standard for comparison, and had represented the relative value of gold by another line, the latter would have been equally crooked and erratic. But what is more important, and what the Professor may have failed to remember, is that if the general range of the prices of commodities be represented by a straight line, the correspondence with it of a line representing the value of silver would be much closer than of a line representing the value of gold.

Professor Sumner says that a fear that American money is to be depreciated by the continued coinage of silver is the reason "why so few are now willing to become creditors, and why industry and commerce are stagnant."

With due deference to the opinions of so able a theorist as Professor Sumner, the least that can be said is that this statement shows a misconception of the situation as a matter of fact, and that it is erroneous as a matter of philosophy.

Of the persons possessing moneyed capital, instead of there being only a few who wish to become creditors, or, in other words, who wish to loan it, they nearly all want to loan it. It is for this reason that rates of interest at central points are now merely nominal.

This unprofitable situation of loanable capital is as conspicuous in Great Britain, where no silver coinage is either in progress or impending, as it is in New York or Boston.

The cause of the almost universal desire in Europe and the United States to lend money, rather than to invest it in productive enterprises, or in purchases of any kind of property, is the common apprehension that money will appreciate in value, and that the position of a creditor with any tolerable security is more desirable than that of the holder of property.

This is the true reason "why industry and commerce are stagnant," while interest-bearing deposits with bankers, trust companies, and savings-banks are multiplying.

Nobody wishes to produce commodities, or to buy and hold them, while they are falling in price.

A glut of loanable capital and low rates of interest are the inevitable final accompaniments of a shrinking volume of money,

and the consequent decline in market values, rendering investments in property unprofitable and hazardous.

The British historian, Allison, said that the contraction of currency which attended the resumption of specie payments by the Bank of England, in 1821, caused as much loss to money capitalists by lowering the rate of interest as to producers by lowering the price of commodities.

Professor Walker favors the abrogation of the Silver-Coinage law of 1878 upon the sole ground that a bimetallic arrangement with European nations is the indispensable condition to the safe use of silver in this country.

This is in plain contradiction of the experience of mankind. From time immemorial both gold and silver have been used as money without bimetallic treaties. The relative value of gold and silver, disturbed for a time by the disproportionate yield of silver following the discovery of America, finally settled in 1650 to between 15 and 16 to 1, and so remained for 225 years, although the first case of an international arrangement, the Latin Union treaty, did not occur till 1865. That treaty was between four contiguous countries, all of which were already on the double standard, and all of which had the same ratio, viz.: $5\frac{1}{2}$ to 1. It was made to secure a common use of the metallic money of the four countries, and had no reference to the general question of the metallic standards.

The world has had a long experience, independently of international treaties, of that steadiness of the relative value of the two metals which results from the magnitude of their mass, representing the accumulation of ages, which is so vastly in excess of their annual production.

No cause of equal magnitude, tending to disturb the relative value of the metals, as the transition of Germany from the single standard of silver to the single standard of gold, will probably recur for centuries. After that transition had spent its force we have the following record of the average gold price per ounce of the British standard silver during each of the past six years, in the London market, as given by the London "Economist," February 21, 1885 :

Years.	Average price in pence.	Years.	Average price in pence.
1879	$51\frac{1}{4}$	1882	$51\frac{5}{8}$
1880	$52\frac{1}{4}$	1883	$50\frac{9}{16}$
1881	$51\frac{11}{16}$	1884	$50\frac{11}{16}$

These fluctuations, in the opinion of Professor Walker, are so intolerable, that in order to avoid them we must give up silver, unless there is a general coinage of it in Europe; and in the same article he admits that the abandonment of silver will result in "the enhancement of the burden of all debts and fixed charges, acting as a steady drag upon production," and that "suffocation, strangulation, are words hardly too strong to express the agony of the industrial body when embraced in the fatal coils of a contracting money."

To such evils, by no means too vividly portrayed, may this country never be brought to submit, by false alarms, as to the danger of a single silver standard.

That our present rate of coinage will ever result in such a standard is a remote and improbable contingency—even if it should occur, it would be a less misfortune than that of suffering our currency, by discarding silver, to be appreciated to any height to which selfish bankers and money capitalists in this country and in Europe may be able and disposed to carry gold.

It is of infinite importance to maintain the steadiness of the value of our own currency, and of our own prices. In comparison with this it is of little importance what the relation of value may be between our currency and that of foreign countries.

N. P. HILL.

II.

THE silver dollar of the United States always has been, and is, and always must be, worth a dollar, and—under existing laws—can never be worth less than a gold dollar. No man has ever received or paid one for less than a gold dollar; no man has ever lost a cent from the employment of the silver dollar as money; yet there issues from the banking centers a persistent clamor to demonetize this coin, a clamor which, strange to say, is strengthened by the ill-concealed sympathy of officials whose duty it is less to impugn the wisdom of our laws than to uphold them.*

Money is a subject with which the most unlettered person is

* For example, the Comptroller of the Currency, in his report for 1884 (pp. 20, 21), impudently alludes to the "folly" of Congress with respect to the coinage of silver and its "ingenious" evasion of what he presumes to suppose are natural laws.

apt to deem himself conversant. Does he not every day handle coins or notes; is he not familiar with their appearance and use; has he not been taught that money is merely "pieces of merchandise, weighed and verified by the State;" that the value of these pieces or coins conforms to the cost of their production; that the ratio of value between silver and gold is due to the relative cost of producing these metals; that paper notes are not money, but its representatives; and that their value is due to the probability of their redemption in coins? "Surely," he argues, "it requires no learning to comprehend such easy matters as these;" and forthwith he lends himself to swell a clamor against silver, which, if unfortunately it should bear any practical fruit, will despoil this mushroom philosopher of a material portion of his wealth, and, perhaps, fling him into a bankruptcy court.

No man has ever seen money. He may have seen a part of it—a fraction, or many fractions of it; but the whole of it he could not have seen, because money consists of all money, or all the money in a given country. The usefulness, function, and value of each piece depend upon the numerical relation which it bears to the whole, and it is impossible to use it as money, or to determine its relation to other things, without reference to the whole sum of which it forms a part. Money is not pieces of merchandise any more than acres are pieces of land, or minutes pieces of clocks. Money is a measure or an institution of law designed to measure the numerical relation called value. The value of a piece of money does not at all depend upon the cost of its production, or else it would be impossible to alter the value of coins by the emission or retirement of paper notes; whereas, in point of fact this has repeatedly been done since paper notes were first introduced. The value of a piece of money depends solely upon the numerical relation which it bears to the whole sum of money. The ratio of value between silver and gold has nothing whatever to do with the relative cost of producing these metals, which, by the way, no man has ever determined; it is the result of a conflict of national (not natural) laws, which reach back to very distant ages. Paper notes are not representatives of money, but fractions of money itself; and their value is not derived from the probability of their redemption in coins, but simply from their legal or customary recognition and the numerical relations which they bear to the whole number of "dollars" or other legal denominations of

money, in which debts are payable by law—or custom having the force of law. And, so far is money from being an easy subject to comprehend, it has been deemed worthy the serious attention of the most intellectual men of all ages, of Aristotle, Locke, Newton, Montesquieu, Humboldt, and Mill.*

I am asked if, in my opinion, silver should be demonetized, meaning, I suppose, shall we demonetize the silver dollars. My answer is: If the government be authorized to supply the place of the coins (which would thus be withdrawn from circulation and from sustaining prices), if it be authorized to supply their place with additional paper notes, the same to be as full legal tenders and as irredeemable in any other money as the silver dollars are, it will work no direct harm to demonetize them. The silver dollars have done good service, and though the metal may have to be sold at a slight loss, it will pay off a large installment of the public debt. But if, as is more likely, the government fails to be so authorized, then to demonetize the silver dollars will be to diminish the money of the country about one-fifth and increase in like proportion the value of all interest-bearing securities, including bonds and mortgages and other evidences of indebtedness. It will also be to lower the prices of wheat, corn, fruits, hay, cotton, tobacco, sugar, wool, meats, butter, cheese, and all farm produce about one-sixth. It will still further depress trade by depriving our manufacturers and merchants of markets and our mechanics and laborers of employment. It will increase the moral hazard of insurance. In short, it will hand over from one-sixth to one-fifth of the wealth of the country substantially to the banks, and disarrange all those interests and relations of society upon whose permanency largely rests the welfare of the State.

Even were the silver dollars supplanted by greenbacks, there is an indirect evil which would arise from the demonetization of silver, and which is well worth considering in this connection: the loss of our wheat market in Liverpool. At the present time we annually export about seventy-five million bushels of wheat and fifty million barrels of wheat flour to foreign countries, the largest proportion to Great Britain. Among the sources from whence that country derives important supplies of wheat are India, Aus-

* For ample evidence concerning the nature and function of money the reader is referred to the writer's "History of the Precious Metals," "History of Money," and "Science of Money," New York, Scribner & Welford.

tria, and Morocco—all silver money countries. Were we to sell or threaten to sell our stock of silver dollars, which when melted would make about seven thousand tons of metal, the act would immediately affect the gold value of silver metal in England, without, for many years, if ever, disturbing its purchasing power over commodities in the countries named. The consequence would be that a given sum of gold in England would at once purchase much more wheat from India, Austria, etc., than from America, and our greatest market would be lost to us. The export of wheat from India increased from one million bushels in 1873 to forty-two million bushels in 1884. Late advices (1885) state that "the rains this year were tardy but copious, and there is every prospect of a good crop." Repeal the Bland bill, and within a year India will be able to land fifty million bushels of wheat in Liverpool at twenty-seven shillings, gold, the quarter (eighty-four cents a bushel), to say nothing of Austria, Morocco, and other silver-using and wheat-producing countries. Already the mere agitation of the subject has greatly depressed the price of wheat, and if the danger increases it will, no doubt, have its effect upon cotton and other crops in the production of which we have to compete with silver-using countries.

The money of the United States at the present time is furnished partly by the government, partly by the banks, and partly by individuals under a free coinage act copied from the statutes of Charles II. Owing to this pernicious distribution of the once royal prerogative of coining and regulating money, it is impossible to ascertain with precision how much money there is now, or how much there is likely to be, in the country, at any given time. In other words, the measure of value is so inexact and variable that no two persons would be likely to estimate it at the same sum. As nearly as the writer can determine, it consists at the present time of, nominally, about thirteen hundred million dollars, of which about forty-five per cent. is government-made money, consisting of greenbacks and silver coins, the latter increasing at about the rate of two millions a month; twenty-three per cent. of private bank notes, decreasing at the rate of about two millions a month; and thirty-two per cent of gold coined for banks and individuals, over the quantity coined, melted, exported, and circulated of which the government has no control. At the present moment it is lying in the Treasury and banks entirely inert, substantially none of it

being in general circulation. Of the whole sum of money in the country probably not over nine hundred or one thousand million dollars are in general circulation, or operating to sustain prices.

Assuming this estimate to be reasonably correct (I am aware that the estimate of gold differs from the "official" one) it follows that to demonetize say two hundred millions of silver dollars is to destroy one-fifth of the measure of value, and to undermine to this extent the basis of all contracts and bargains made since these silver dollars were coined; and this solely to the profit of the banks and other capitalists. More than this, it will practically relegate the future control of money to the banks, whose interests, at times, will lend them to as wild an inflation as now it invites to a ruinous contraction. They already have absolute control over their own notes, they have secured a large proportion of the gold coin and are trying to monopolize it all, and they are increasing their reserves of greenbacks which are payable in coin. The only portion of the money of the country not amenable to their control is the silver dollars; and this explains their hostility to them.

Mark that I do not question the patriotism of bank officers as individuals. In this respect they are probably no worse nor better than other men; but, as the officers of corporations, they have but one end to aim at, and that is to make profits. Contraction and the monopolization of gold promise these corporations a premium on that metal, an increase of the premium on consols, and perhaps a return to the State bank system and investment in seven per cent. securities. Hence their officers are unanimously in favor of contraction. But if their shareholders were asked if they ever knew of a prosperous country with a diminishing money, and reflected how much more they would lose as individuals than they would gain as shareholders through contraction of the currency, perhaps they would reverse their present policy, increase their note circulation, support the silver dollars, and promote an increased demand for discounts by imparting the hope of remunerative prices to the farmer, the manufacturer, the merchant, and the speculator.

It is useless to discuss the objections, often frivolous and always sophistical, which have been urged against the silver dollars; all these are met by the simple fact that nobody can get one and nobody will part with one for less than a gold dollar. If it be urged

that we cannot pay foreign balances with them, the answer is that we have no foreign balances to pay, that the bulk of our import trade is with silver and paper money countries and not with gold ones, and that as to the latter, American silver dollars are worth to-day in Liverpool within an eighth of a cent as much as gold ones; and if, as will probably be the case, it is attempted to be proved that "the Treasury cannot force silver dollars into circulation," the answer is, that still less can it force gold dollars. The real offense of the silver dollars is not their color, size, design, nor value when melted. It is their number, the fact that they are issued at pleasure of the nation, the greater ease of circulating the silver certificates than the gold ones, and the obstacles which these circumstances offer to the design of further contracting the currency. Twenty years ago a similar clamor was raised against greenbacks, and if a new California were discovered to-morrow a similar one would be raised against gold.

There will be no settlement of the laws relating to money until the government assumes entire control of it; and this is what should be done without further delay. The interests of society demand a precise, a stable, an equitable measure of value, and the government alone can furnish one. The preservation of our national unity invites the exertion of "a force which, like that of a uniform money, is all-pervading in its influence and constant in its operation." And when we come to the law of the matter, we have only to recall the words of the great Expounder of the Constitution: "Whenever paper is to perform the functions of coin, its regulation naturally belongs to the hands which hold the power over the coinage."

The time has now come to adopt a settled policy on this subject. Let a commission be appointed by Congress to whom the entire subject of money shall be relegated. Clothe this commission with power to take evidence and instruct it to bring in a bill designed to permanently regulate the monetary system of the country. The researches of such a body cannot fail to prove as instructive as its labors will have to be conservative; for it will be obliged to conciliate a wide divergence of opinion and respect a vast structure of vested and expectant interests. And in order to be rid of those idle people who have swelled the clamor against silver by inventing evils which they never endured and confident that their pretensions could not be made good, I would give this same commission power

to audit any claims for losses which could be proved to have been sustained by any person from the use of silver dollars, the claims to be paid by the government out of the seigniorage derived from the fabrication of the coins.

ALEXANDER DEL MAR,
Mining Commissioner to the Monetary Commission of 1876.

III.

THE elaborate and persistent attempts made of late to discredit one of the standard American coins render it necessary to make the inquiry whether there is anything unlawful or dishonest in the coinage of the silver dollar. The Constitution of the United States gives to Congress the power "to coin money and regulate the value thereof." Those who are objecting to the standard silver dollar would, logically, object just as much to the exercise by Congress of this constitutional function. The essence of their demand seems to be that our coin shall be a mere commodity, not a standard. Since the foundation of the government the United States coin has been *bimetallic*—gold and silver. The silver dollar is the unit of our values, the gold fives, tens, twenties, and fifties being multiples of it. Since our government first coined money the purchasing power of both gold and silver has fallen very much. Why not demand that gold and silver be put in both coins to bring them to the old value? The relative commercial value of gold and silver has changed more than once. Shortly after the discovery of gold in California and Australia, gold was, by the standards, relatively the cheaper metal. Since the application of machinery to silver mining, that metal has declined in commercial value; but the decline of silver in late years is largely due to the demonetization of silver by Germany, which thus ceased to be a buyer, and threw a large amount on the market. Owing to that fact, silver fell in 1876 to forty-six and a half pence per ounce. In 1881 it had risen to fifty-one and three-quarters pence. During the entire fifty years, from 1830 to 1880, the supply of silver was not sufficient, as Mr. Mulhall states that 5,230 tons of old candlesticks, etc., were during that period melted down for current uses.

Coin, either of gold or silver, is the standard of weight and

fineness for a nation. There is no international standard. When the coins of any nation cross its frontier, they become, like its wheat and beef, a commodity. Thus the United States is the largest producer of silver in the world: during the past few years it has furnished one-half of the entire production. Our production of gold is also large. It is quite immaterial when we ship these to other countries whether we send the amount in coin or bullion. The Latin Union, France, Italy, Belgium, and Switzerland, endeavor to maintain some uniformity of standards. The commercial value of their silver coin is slightly below ours. Britain has been the persistent advocate for a single gold standard for more than fifty years. Since that time silver has, at times, been dearer than gold, but her purpose was to strike down one of the standards, owing to the steady decline or great accumulations of both gold and silver. A nation which, like England, does not owe any other nation, and one to whom nearly every foreign nation is debtor, is of course deeply interested in keeping up the value of the metallic standards. Current business soon adjusts itself to any standard, but with debts it is different; the creditor is interested in raising or keeping them up, the debtor in keeping them down. As the chief value of gold and silver comes from their use as coin, the discontinuance of one standard would greatly enhance the value of the other. Money has two kinds of value: gold and silver have their standards of weight and fineness, that is one kind; the other kind consists in the volume of either or both there is in any one country. As a medium of exchange, the demand for it is governed by the amount in circulation. It is the same way with paper. It has, first, the value of the credit behind it, and then of the volume in circulation. Make money plenty, and it is cheap; make it scarce, and it is dear.

Between 1873 and 1879, Germany, in the attempt to join England on a monometallic basis, sold 3,220 tons of silver. She seriously depressed her business, and has still some standard silver in circulation. Scandinavia has attempted to do the same. Austria has a silver standard. All the other nations, like the United States, are bimetallic. Russia has also attempted the single standard, but her circulation is chiefly irredeemable paper. The Asiatic nations are large customers for and users of silver. While Britain has a single gold standard, British India has a silver circulation of enormous proportions. China coins neither gold nor

silver, but has a large circulation of foreign silver. The annual report of the Director of the Mint, for 1883, shows the amount of coin of a few great nations. France had then of full legal tender a circulation of \$543,000,000 in gold, and \$873,000,000 in silver. The United States at that time, \$606,197,000 in gold, and \$159,-479,000 in silver. This latter has since become about two hundred millions. Great Britain, \$587,683,000 in gold. Germany, \$342,-720,000 in gold, and \$109,480,000 in silver. Mr. Mulhall states that the volume of paper money in the world is increasing much more rapidly than specie. In 1848 paper money was about twenty per cent. of all the money in use; in 1880 it was thirty-eight per cent. It will thus be seen that France has a circulation of silver four times as great as ours, and it looks a little singular that the United States, the great silver-producing nation, should aid in driving silver from circulation, thus destroying the value of one of its chief products.

This is not the first attempt to force the United States to adopt the single gold standard. A revision of the laws had been directed, and the report of the commission came before the Forty-third Congress. It had simply been authorized to make a code including the recent laws, and leaving out what had been repealed. No authority was given to make any *change* in legislation. The voluminous reports were read at night sessions, attended by few; and, in fact, the writer, who attended many of them, found it, as doubtless other members did, impossible to follow the reading and know whether changes had been made or not, as a person to have done so would have been required to compare every section with the whole seventeen volumes. No act of Congress had ever passed demonetizing the silver dollar, or suspending its coinage. When the revision came to be printed, it was found that several changes had *accidentally* got in. One of these left out the provision for coining American standard dollars. If there has ever been anything dishonest connected with our standard dollar, it was that transaction. If any one ever believed the change resulted from "an accident," the powerful lobby and press used to prevent its remonetization were sufficient to dispel that idea.

There was a strong popular sentiment in favor of correcting this "mistake." A number of bills were introduced. As the writer was a member of the Subcommittee on Banking and Currency, to whom they were referred, he claims to be tolerably familiar with

the history of the bill. As matured in the committee, and as it passed the House, the bill simply placed our silver coinage where it was before. In many countries, including Britain, coinage of gold and silver, according to the standard, was free. Our act was copied from an old English law. Any person could take gold and silver to the Mint and have it assayed and coined on paying mintage fees. That is the law in regard to gold now, and a man can deposit his gold bullion and get a certificate for it, which circulates as money. The Senate amended the House bill, striking out free coinage, and inserting a provision for buying silver bullion at the market rates, and coining two millions a month. It had been evidently expected by the enemies of the measure that this difference of opinion would cause the bill to fail, but as amended it became a law.

Since then a continuous and persistent war has been made on the silver dollar. On the 31st of last October our circulation of national bank notes was $332,473,693, and of legal tender notes, $346,681,016. There is also an amount of State bank notes, old demand notes, and other currency. These, with the subsidiary silver, or "token coinage," and the gold and silver as already stated, constitute our business circulating medium. The silver certificates should not be added, as they represent standard coin in the treasury. As it is the banks and dealers in money that are carrying on the war against the silver dollar, if money is too abundant they can withdraw their national bank notes. The real secret of their hostility is because the silver dollar is the only part of the currency they are unable to control. To show that our circulation is not much too large, Mr. Mulhall gives the total amount of all kinds of money, gold, silver, and paper, per inhabitant, as in Britain, five pounds six shillings ; in France, ten pounds ten shillings ; in the United States, five pounds fifteen shillings. Holland, a mercantile nation, stands eight pounds five shillings. The nations having little business and no great amount of wealth have small amounts of circulating medium, Russia having only one pound fifteen shillings, a great part of which is irredeemable paper.

The argument that the silver dollars are bulky and inconvenient is shallow. If silver certificates were issued in ones, twos, fives, besides the tens, the whole amount would pass immediately into circulation. Gold can hardly be said to circulate

except in certificates. A paper circulation that has standard coin behind it can scarcely be called in question. We freely store gold for everybody, surely we can store our own silver. To establish and maintain an international standard of money is impracticable. Changing standards is always a very doubtful expedient where great debts have been incurred, and we, as a nation, with our city, county, State, railway, and other debts, owe enormously. Gold may be discovered, or by improvements in machinery be mined in great quantities very soon, and once more disturb relative values. If the bimetallic standard can be maintained, it will materially aid one of our great industries. If a change in the standards must eventually be made, the United States should approach it cautiously.

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